

REPORT

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

JUNE 30, 2006 AND 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/10/07

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

October 26, 2006

Board of Trustees
District Attorneys' Retirement System
State of Louisiana
1645 Nicholson Drive
Baton Rouge, Louisiana 70802-8143

We have audited the statements of plan net assets of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 2006 and 2005, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly in all material respects, the financial position of the District Attorneys' Retirement System of the State of Louisiana as of June 30, 2006 and 2005, and the results of its operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board (GASB). We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the System for the years ending June 30, 2006 and 2005, and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information and the supplemental schedules listed in the foregoing index are presented for the purposes of additional analysis and are not a part of the basic financial statements. However, the required statistical information for the years ending June 30, 2001 - 2006 and supplemental schedules for the years ending June 30, 2006 and 2005, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2006 on our consideration of District Attorneys' Retirement System of the State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Krapmann, Hogan & Maher, LLP

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

The Management's Discussion and Analysis of the District Attorneys' Retirement System financial performance presents a narrative overview and analysis of the System's financial activities for the year ended June 30, 2006. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the District Attorneys' Retirement System's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The District Attorneys' Retirement System's assets exceeded its liabilities at the close of fiscal year 2006 by \$190,498,450 which represents an increase from last fiscal year.
- Contributions to the plan by members totaled \$2,788,655 an increase of \$126,267 or 4.74% over the prior year.
- Net change in the fair value of investments reflected a net increase of \$3,592,304. The net assets held in trust for pension benefits increased by \$17,914,136 or 10.38%. The increase was primarily due to favorable investment markets.
- The rate of return on the System's investments was 9.16% based on the market value. This is greater than last year's 4.20% market rate of return.
- Pension benefits paid to retirees and beneficiaries increased by \$328,743 or 8.43%. This increase is due to an increase in the number of retirees and their benefit amounts.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the System's basic financial statements, which are comprised of three components:

- Statement of plan net assets,
- Statement of changes in plan net assets, and
- Notes to the financial statements.

This report also contains required supplemental information in addition to the basic financial statements themselves.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The statements of plan net assets report the system's assets, liabilities and resultant net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2006 and 2005.

The statement of changes in plan net assets reports the results of the System's operations during the year disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

FINANCIAL ANALYSIS OF THE SYSTEM

The District Attorneys' Retirement System provides benefits to all eligible employees of the Louisiana Judicial districts in the State of Louisiana. Employee contributions and earnings on investments fund these benefits.

Statement of Plan Net Assets		
<u>June 30, 2006 and 2005</u>		
	<u>2006</u>	<u>2005</u>
Cash and investments	\$ 189,485,962	\$ 171,842,312
Receivables	<u>1,012,488</u>	<u>742,002</u>
Total assets	190,498,450	172,584,314
 Total liabilities	 <u> --</u>	 <u> --</u>
 Net Assets Held in Trust		
For Pension Benefits	<u>\$ 190,498,450</u>	<u>\$ 172,584,314</u>

Plan net assets increased by \$17,914,136 or 10.38%. All of these assets are restricted in use to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries. The increase in plan net assets was a result of the increase in the value of investments due to favorable investment markets.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

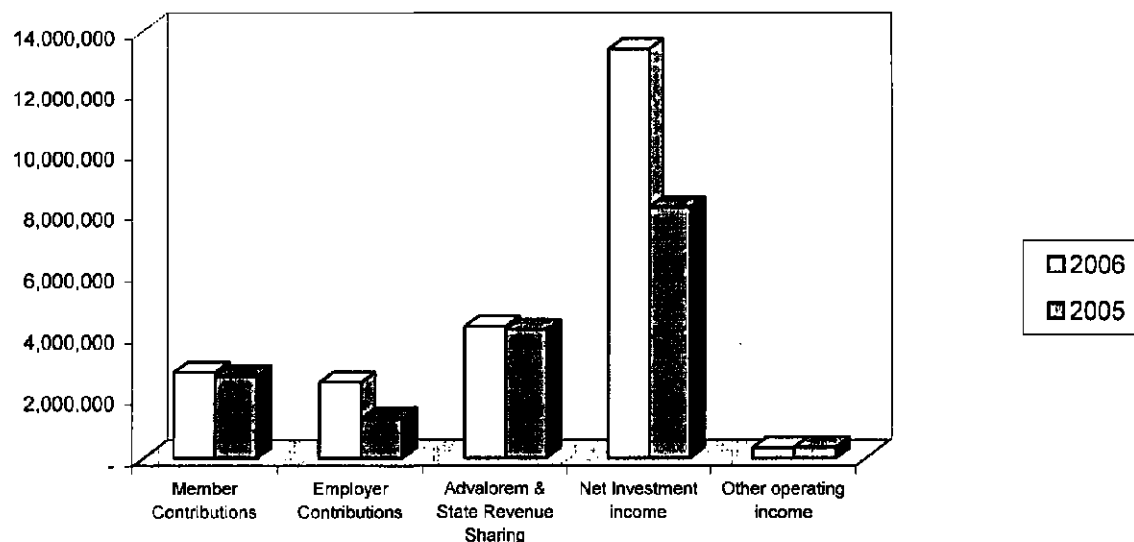
Statement of Changes in Plan Net Assets
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Additions:		
Contributions	\$ 9,522,212	\$ 8,109,518
Investment gain (net)	13,396,723	8,161,780
Other	325,638	347,373
Total additions	<u>23,329,316</u>	<u>16,618,671</u>
Total Deductions	<u>5,415,181</u>	<u>4,910,263</u>
Increase in Plan Net Assets	<u>\$ 17,914,136</u>	<u>\$ 11,708,408</u>

Additions to Plan Net Assets

Additions to the System's plan net assets were derived from member and employer contributions, ad valorem taxes and state revenue sharing funds and investment income. The System experienced a net investment gain of \$13,611,018 as compared to \$8,161,780 in the previous year. The increase in investment income was mainly due to appreciation of stocks and bonds.

	<u>2006</u>	<u>2005</u>	Increase (Decrease) <u>Percentage</u>
Member Contributions	\$ 2,788,655	\$ 2,662,388	4.74%
Employer Contributions	2,459,995	1,285,573	91.35%
Ad valorem & State Revenue Sharing	4,273,562	4,161,557	4.73%
Net Investment Income	13,396,723	8,161,780	64.14%
Other Operating Revenues	325,638	347,373	(6.26%)
Total	<u>\$ 23,329,316</u>	<u>\$ 16,618,671</u>	



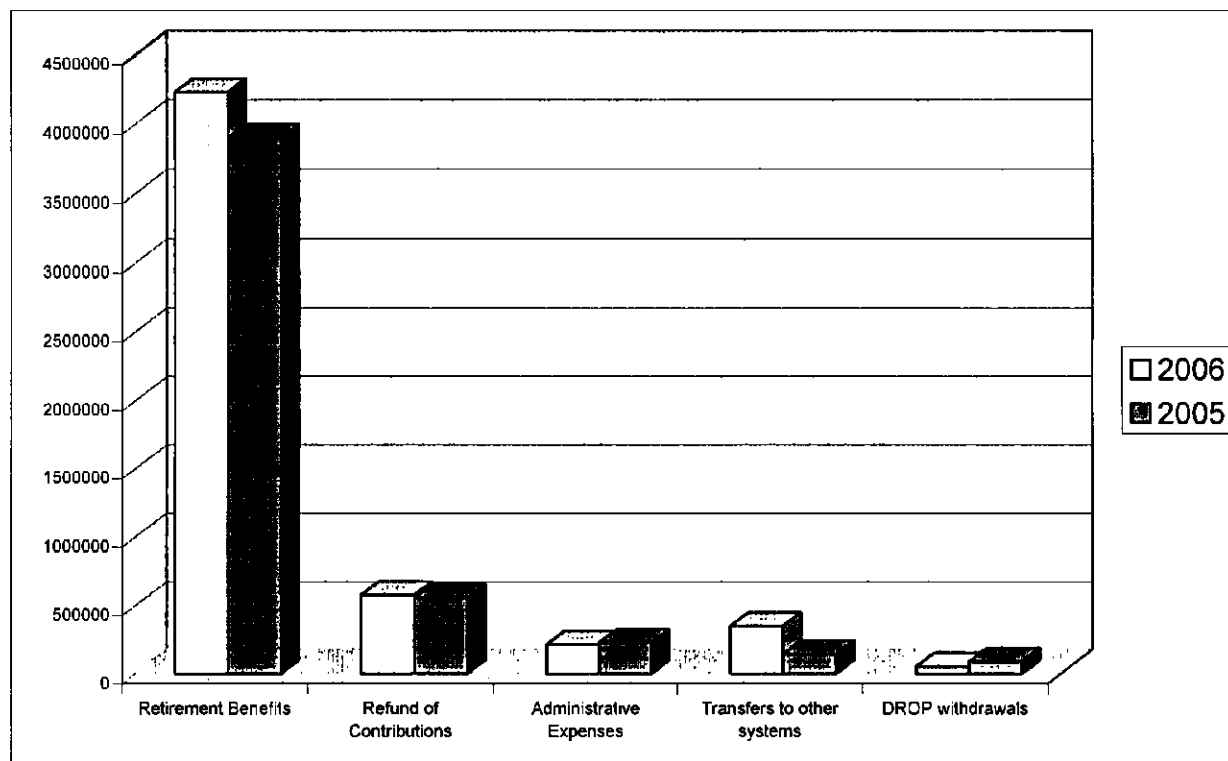
DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death and survivor benefits and administrative expenses and transfers to other systems. Deductions from plan net assets totaled \$5,415,180 in fiscal year 2006. The increase in retirement benefit payments to \$4,228,473 from \$3,899,730 is due largely to an increase in the number of retirees and that newer retirees earn higher benefit amounts than older retirees.

	<u>2006</u>	<u>2005</u>	<u>Increase (Decrease)</u> <u>Percentage</u>
Retirement Benefits	\$ 4,228,473	\$ 3,899,730	8.43%
Refunds of Contributions	576,038	554,035	3.97%
Administrative Expenses	211,680	228,045	(7.18%)
Transfers to other systems	348,200	142,313	144.67%
DROP withdrawals	<u>50,789</u>	<u>86,140</u>	(41.04%)
Total	<u>\$ 5,415,180</u>	<u>\$ 4,910,263</u>	



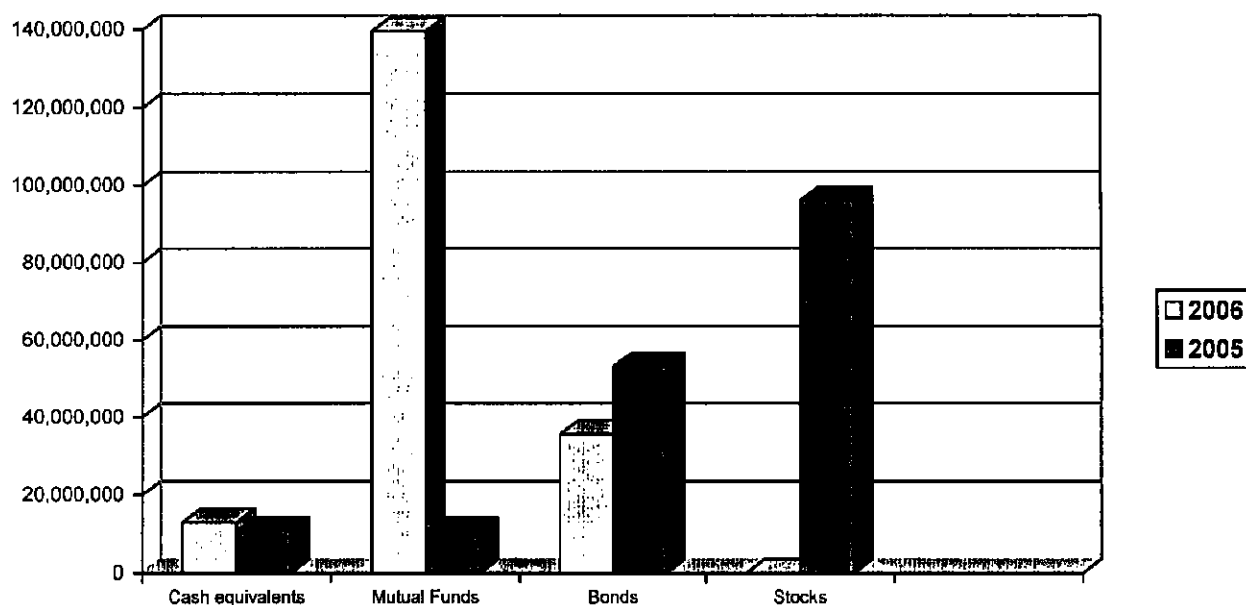
DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

FINANCIAL ANALYSIS OF THE SYSTEM (Continued)

Investments

District Attorneys' Retirement System is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments at June 30, 2006 amounted to \$187,999,049 as compared to \$170,550,372 at June 30, 2005, which is an increase of \$17,448,677 or 10.23%. The major contributing factor to this increase was the equity exposure in the portfolio. Again, as interest rates will likely head even higher through the second half of 2006 and into 2007, we continue to view equities as an attractive asset class. The System's investments in various markets at the end of the 2006 and 2005 fiscal years are indicated in the following table:

	<u>2006</u>	<u>2005</u>	Increase (Decrease) <u>Percentage</u>
Cash Equivalents	\$ 12,980,072	\$ 10,778,118	20.43%
Mutual Funds	139,474,351	10,662,587	1,208.07%
Bonds	35,544,626	53,053,979	(33.00%)
Stocks	--	<u>96,055,688</u>	(100.00%)
Total	<u>\$ 187,999,049</u>	<u>\$ 170,550,372</u>	



DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2006

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to E. Pete Adams, Director, District Attorneys' Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802, (225) 267-4824.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash (Note 5)	\$ <u>1,486,913</u>	\$ <u>1,291,940</u>
Receivables:		
Employer contributions	275,773	-
Member contributions	303,730	291,555
Accrued interest and dividends	268,620	425,115
Ad valorem taxes	164,365	25,332
Total	<u>1,012,488</u>	<u>742,002</u>
Investments (At fair value): (Notes 1 and 5) (Page 23)		
Cash equivalents	12,980,072	10,778,118
Bonds	35,544,626	53,053,979
Stocks	-	96,055,688
Mutual funds	139,474,351	10,662,587
Total investments	<u>187,999,049</u>	<u>170,550,372</u>
Total assets	<u>190,498,450</u>	<u>172,584,314</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ <u>190,498,450</u>	\$ <u>172,584,314</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
ADDITIONS: (Note 1)		
Contributions:		
Members	\$ 2,788,655	\$ 2,662,388
Employer	2,459,995	1,285,573
Ad valorem taxes	4,148,988	3,948,826
State revenue sharing funds	209,317	212,731
Total contributions	<u>9,606,955</u>	<u>8,109,518</u>
Investment income (expense):		
Interest income	3,083,338	2,351,946
Dividend income	2,189,174	1,761,650
Net appreciation in fair value of investments	8,550,800	4,958,496
Less investment expense	<u>(426,589)</u>	<u>(910,312)</u>
Net investment income	<u>13,396,723</u>	<u>8,161,780</u>
Other additions:		
Interest - other	95,916	122,549
Transfers from other retirement systems	195,547	204,662
Class action lawsuit settlements	<u>34,175</u>	<u>20,162</u>
Total other additions	<u>325,638</u>	<u>347,373</u>
Total additions	<u>23,329,316</u>	<u>16,618,671</u>
DEDUCTIONS: (Note 1)		
Benefits	4,228,473	3,899,730
DROP withdrawal	50,789	86,140
Refund of contributions	576,038	554,035
Transfers to other retirement systems	348,200	142,313
Administrative expenses (Page 24)	<u>211,680</u>	<u>228,045</u>
Total deductions	<u>5,415,180</u>	<u>4,910,263</u>
NET INCREASE	17,914,136	11,708,408
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS:		
Beginning of year	<u>172,584,314</u>	<u>160,875,906</u>
END OF YEAR	<u>\$ 190,498,450</u>	<u>\$ 172,584,314</u>

See accompanying notes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

The District Attorneys' Retirement System (System) was created on August 1, 1956 by Act 56 of the 1956 session of the Louisiana Legislature, for the purpose of providing retirement allowances and other benefits for district attorneys and their assistants in each parish. The fund is administered by a Board of Trustees. Benefits, including normal retirement, early retirement, disability retirements and death benefits, are provided as specified in the plan.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA). In addition, these financial statements include the implementation of GASB Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* and related standards. The new standard did not change the financial reporting or note disclosures required by GASB 25; it did require the inclusion of a management discussion and analysis as supplementary information.

Basis of Accounting:

The System's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature.

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments.

2. PLAN DESCRIPTION:

The District Attorney's Retirement System, State of Louisiana is the administrator of a cost-sharing multiple employer defined benefit pension plan. The System was established on the first day of August, nineteen hundred and fifty-six and was placed under the management of the board of trustees for the purpose of providing retirement allowances and other benefits as stated under the provisions of R.S. 11, Chapter 3 for district attorneys and their assistants in each parish.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by this retirement system and the Louisiana District Attorneys' Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however, that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board for assistant district attorneys. The statewide retirement system membership consists of:

	<u>2006</u>	<u>2005</u>
Current retirees and beneficiaries	132	130
Terminated vested members not yet receiving benefits	237	234
Fully vested, partially vested, and non-vested active employees covered	654	670
DROP participants	<u>23</u>	<u>18</u>
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	<u>1,046</u>	<u>1,052</u>

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

Disability benefits are awarded to active contributing members with at least 10 years of service who are found to be totally disabled as a result of injuries incurred while in active service. The member receives a benefit equal to three percent (three and one-half percent for members covered under the new retirement benefit provisions) of his average final compensation multiplied by the lesser of his actual service (not to be less than fifteen years) or projected continued service to age sixty.

Upon the death of a member with less than 5 years of creditable service, his accumulated contributions and interest thereon are paid to his surviving spouse, if he is married, or to his designated beneficiary, if he is not married. Upon the death of any active, contributing member with 5 or more years of service or any member with 23 years of service who has not retired, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with the option factors used as if the member had continued in service to earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children are paid 80% of the member's accrued retirement benefit divided into equal shares. If a member has no surviving spouse or children, his accumulated contributions and interest are paid to his designated beneficiary. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions with interest.

Upon withdrawal from service, members not entitled to a retirement allowance are paid a refund of accumulated contributions upon request. Receipt of such a refund cancels all accrued rights in the system.

The Board of Trustees is authorized to grant retired members and widows of members who have retired an annual cost of living increase of 3% of their original benefit, (not to exceed sixty dollars per month) and all retired members and widows who are sixty-five years of age and older a 2% increase in their original benefit. In lieu of other cost of living increases the board may grant an increase to retirees in the form of "Xx(A&B)" where "A" is equal to the number of years of credited service accrued at retirement or death of the member or retiree and "B" is equal to the number of years since death of the member or retiree to June 30 of the initial year of increase and "X" is equal to any amount available for funding such increase up to a maximum of \$1.00. In order for the board to grant any of these increases, the System must meet certain criteria detailed in the statute related to funding status and interest earnings.

In lieu of terminating employment and accepting a service retirement allowance, any member in the New Plan who is eligible for normal retirement or any member of the Old Plan who is eligible for unreduced benefits may elect to participate in the Deferred Retirement Option Plan (DROP) for

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

2. PLAN DESCRIPTION: (Continued)

up to three years and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System continues and the member's status changes to inactive. During participation in the plan, employer contributions are payable but employee contributions are reduced to one-half of one percent. The monthly retirement benefits that would have been payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP account. This fund does not earn interest while a person is participating in the DROP. In addition, no cost-of-living increases are payable to participants until employment which made them eligible to become members of the System has been terminated for at least one full year.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the plan may receive, at his option, a lump sum from the account equal to the payments into the account or systematic disbursements from his account in any manner approved by the board of trustees. The monthly benefits that were being paid into the deferred retirement option plan fund will begin to be paid to the retiree. If a participant dies during the participation in the plan, a lump sum equal to his account balance in the plan fund is paid to his named beneficiary or, if none, to his estate. If employment is not terminated at the end of the three years, payments into the plan fund cease and the person resumes active contributing membership in the System. All amounts which remain credited to the individual's sub-account after termination of participation in the plan earn interest at the portfolio rate of return less one-half of one percent.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the District Attorneys' Retirement System of Louisiana, 1645 Nicholson Drive, Baton Rouge, Louisiana 70808.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

The fund is financed by employee contributions established by state statute at 7% of salary for active members, and .5% of salary for DROP participants. The fund is also financed by employer contributions of 6% and 3.75% for the years ended June 30, 2006 and 2005, respectively. In addition, the fund receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of .2% of the ad valorem taxes shown to be collected. According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee. Although the direct employer actuarially required contribution for fiscal year 2006 is 3.73%, the actual employer contribution rate for fiscal year 2006 is 6%, since state statutes require that employer rates be set one year in advance. The minimum direct employer contribution will be 3.5% for fiscal year 2007.

Administrative costs of the fund are financed through employer contributions.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves:

Use of the term "reserve" by the System indicates that a portion of the net assets are legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Pension Reserve:

The Pension Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the reserve from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve. The Pension Reserve balance as of June 30, 2006 and 2005 was \$40,402,576 and \$39,419,366, respectively, and was fully funded for both years.

B) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. When a member retires, the amount of his accumulated contributions is transferred to the Pension Reserve to provide part of the benefits. The Annuity Savings balance as of June 30, 2006 and 2005 was \$27,661,900 and \$26,476,108, respectively, and was fully funded for both years.

C) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve is charged annually with an amount, determined by the actuary, to be transferred to the Pension Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation balance as of June 30, 2006 and 2005 was \$118,186,767 and \$94,361,275, respectively. The balance was 99% and 100% funded for the years ended June 30, 2006 and 2005, respectively.

D) Deferred Retirement Option Plan Account:

The Deferred Retirement Option Plan (DROP) Account receives and holds the monthly retirement benefits deposited on behalf of DROP participants while they continue to work. At termination, a participant may receive a lump sum payment of the DROP deposits or systematic disbursements approved by the board of trustees. The DROP account balance as of June 30, 2006 and 2005 was \$5,226,430 and \$3,739,783, respectively, and was fully funded for both years.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

4. ACTUARIAL COST METHOD:

The Aggregate Actuarial Cost Method was used to calculate the funding requirements of the District Attorneys' Retirement System for the fiscal years ended June 30, 2006 and 2005 valuations. This funding method allocates pension costs as a level percentage of payroll over the future working lifetime of current members. The Aggregate Actuarial Cost Method produces no unfunded accrued liability. Under the Aggregate Actuarial Cost Method, actuarial gains and losses are spread over future normal costs. Any experience more favorable than the actuarial assumptions will reduce future normal costs; any experience less favorable than assumptions will increase future normal costs. Changes in plan benefits as well as changes in actuarial assumptions are also funded over future normal costs.

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents and investments at June 30, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Cash (bank balance)	\$ 1,530,845	\$ 1,322,523
Cash equivalents	12,980,072	18,954,118
Investments	<u>175,018,977</u>	<u>151,596,254</u>
	<u>\$ 189,529,894</u>	<u>\$ 171,872,895</u>

Deposits:

The System's bank deposits were fully covered by federal depository insurance and pledged securities held in the name of the System.

Cash Equivalents:

Cash equivalents are held by a sub-custodian, are managed by a separate money manager and are in the name of the System.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments:

Statutes authorize the System to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the system to act with care, skill, prudence and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Act 379 of the 1999 Legislative session temporarily authorized the System to invest up to sixty-five percent of its portfolio in equity securities as part of a pilot program as long as at least ten percent of the total equity portfolio is in one or more index funds that seek to replicate the performance of the chosen index. The program automatically phased out after July 1, 2003. For the years ended June 30, 2006 and 2005, the System shall not invest more than sixty-five percent of the total portfolio in common stock, as a result of legislation enacted during the 2004 regular session.

At June 30, 2006 and 2005, all investments are held in safekeeping by Fidelity Investments in Cincinnati, Ohio.

There were no investments in any one organization which represented 5% of Plan Net Assets at June 30, 2006 or 2005.

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy states that no more than 5% (of cost) of the assets assigned to an investment manager may be invested in the securities of one issuer. At June 30, 2006 and 2005, there were no investment holdings that exceeded the System's concentration of credit risk policy.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the Plan's investments in long-term debt securities.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

		<u>2006</u>			
<u>Investment</u> <u>Type</u>	<u>Fair Value</u>	<u>Government</u> <u>(Not Rated)</u>	<u>Corporate</u>	<u>Mortgage</u>	<u>Other</u>
AAA	\$ 2,995,117	\$ --	\$ 424,648	\$ --	\$ 2,570,469
AA+	492,421	--	--	--	492,421
AA	927,930	--	--	--	927,930
A+	129,196	--	129,196	--	--
A-	178,060	--	178,060	--	--
BBB	498,350	--	--	--	498,350
Not Rated	<u>30,323,552</u>	<u>5,003,337</u>	<u>395,271</u>	<u>23,402,434</u>	<u>1,522,510</u>
	<u>\$ 35,544,626</u>	<u>\$ 5,003,337</u>	<u>\$ 1,127,175</u>	<u>\$ 23,402,434</u>	<u>\$ 6,011,680</u>

		<u>2005</u>			
<u>Investment</u> <u>Type</u>	<u>Fair Value</u>	<u>Government</u> <u>(Not Rated)</u>	<u>Corporate</u>	<u>Mortgage</u>	<u>Other</u>
AAA	\$ 10,230,371	\$ --	\$ 2,315,751	\$ 5,288,051	\$ 2,626,569
AA	2,104,518	--	615,835	--	1,488,683
AA-	2,053,816	--	958,186	1,095,630	--
A+	1,461,091	--	1,461,091	--	--
A	3,551,052	--	3,551,052	--	--
A-	1,480,183	--	1,480,183	--	--
BBB	508,105	--	--	--	508,105
BBB+	402,403	--	402,403	--	--
Not Rated	<u>31,262,440</u>	<u>10,406,598</u>	<u>555,004</u>	<u>12,124,838</u>	<u>8,176,000</u>
	<u>\$ 53,053,979</u>	<u>\$ 10,406,598</u>	<u>\$ 11,339,505</u>	<u>\$ 18,508,519</u>	<u>\$ 12,799,357</u>

The System has no formal investment policy regarding credit risk.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan is exposed to custodial risk for investments in the amount of \$175,018,977 and \$151,596,254 for the years ended June 30, 2006 and June 30, 2005, respectively. The System does not hold its assets in a nominee name or in the name of the System. The assets are held in a Fidelity custodial account.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Custodial Credit Risk: (Continued)

The Plan has \$12,980,072 and \$10,778,118 as of June 30, 2006 and 2005, respectively, in cash equivalents, which is exposed to custodial credit risk since the investment is in the name of the System's custodian's trust department. The System has no formal investment policy regarding custodial credit risk.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in the interest rates will adversely affect the fair value of an investment. The Plan had the following investments in long-term debt securities and maturities:

<u>2006</u>					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater than 10</u>
U.S. Government and Government Agency Obligations	\$ 5,003,337	\$ 1,087,185	\$ 1,005,230	\$ 996,990	\$ 1,913,932
Other Bonds:					
Corporate	1,127,175	98,640	326,135	--	702,480
Mortgage-Backed	23,402,434	15,626	1,169,722	2,719,928	19,497,158
Other	<u>6,011,680</u>	<u>394,064</u>	<u>927,930</u>	<u>2,549,170</u>	<u>2,140,516</u>
	<u>\$ 35,544,626</u>	<u>\$ 1,595,515</u>	<u>\$ 3,429,017</u>	<u>\$ 6,266,088</u>	<u>\$ 24,254,006</u>
<u>2005</u>					
<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>Greater than 10</u>
U.S. Government and Government Agency Obligations	\$ 10,406,598	\$ 1,922,834	\$ 1,539,211	\$ 4,279,390	\$ 2,665,163
Other Bonds:					
Corporate	11,339,504	948,887	5,093,087	2,358,932	2,938,598
Mortgage-Backed	18,508,520	707,658	2,790,231	3,559,028	11,451,603
Other	<u>12,799,357</u>	<u>8,176,000</u>	<u>1,348,004</u>	<u>1,698,390</u>	<u>1,576,963</u>
	<u>\$ 53,053,979</u>	<u>\$ 11,755,379</u>	<u>\$ 10,770,533</u>	<u>\$ 11,895,740</u>	<u>\$ 18,632,327</u>

The System has no formal investment policy regarding interest rate risk.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006 AND 2005

5. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

The Plan invests in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

6. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

7. REQUIRED SUPPLEMENTARY SCHEDULE INFORMATION:

Information in the Required Supplementary Schedules is designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits and is presented on pages 26-28.

8. OFFICE LEASING:

The System leases office space on a month-to-month basis. Monthly rent was \$2,000 for each of the years ended June 30, 2006 and 2005. Total rent expense for the years ended June 30, 2006 and 2005 was \$24,000 and \$24,000, respectively.

9. TRANSACTIONS WITH RELATED ORGANIZATION:

The System shares certain common functions and costs with the Louisiana District Attorney's Association (LDAA). The LDAA provides office space, office equipment, administrative and accounting services for the System. The System incurred \$102,553 and \$105,069 during the years ended June 30, 2006 and 2005, respectively, in costs associated with the LDAA.

10. LITIGATION:

The System is a defendant in a lawsuit filed by an assistant district attorney. The time frame of her employment and her actual membership in the System is at issue in the case. There are no dollar amounts specified at this time. The System's management is vigorously contesting the plaintiff's claims. Legal counsel for the System is unable to form an opinion relative to the outcome of the lawsuit at this time.

11. ENGAGEMENT APPROVAL:

The audit engagement of the System has been approved by the Legislative Auditor of the State of Louisiana, in accordance with state statutes.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2006

	Pension Reserve	Annuity Savings	DROP	Pension Accumulation	Actuarial Liability	Total
BALANCES, JULY 1, 2005	\$ 39,419,366	\$ 26,476,108	\$ 3,739,783	\$ 94,361,276	\$ 8,587,781	\$ 172,584,314
REVENUES AND TRANSFERS:						
Contributions:						
Member	-	2,788,655	-	-	-	2,788,655
Employer	-	-	-	2,459,995	-	2,459,995
Ad valorem taxes and state revenue sharing funds	-	-	-	4,358,305	-	4,358,305
Transfers from annuity savings	1,386,453	-	-	-	-	1,386,453
Transfers from other systems	-	25,085	-	170,462	-	195,547
Pensions transferred from pension reserve	-	-	1,537,436	-	-	1,537,436
Interest on accumulated savings	-	403,647	-	-	-	403,647
Net gain from investments and other sources	-	-	-	13,315,134	-	13,315,134
Actuarial transfers	5,362,666	-	-	4,204,338	-	9,567,004
Total revenues and transfers	6,749,119	3,217,387	1,537,436	24,508,234	-	36,012,176
EXPENSES AND TRANSFERS:						
Retirement allowances paid	4,228,473	-	50,789	-	-	4,279,262
Refunds to members	-	576,038	-	-	-	576,038
Transfers to pension reserve	-	1,386,453	-	-	-	1,386,453
Transfers to other systems	-	69,104	-	279,096	-	348,200
Pensions transferred to DROP	1,537,436	-	-	-	-	1,537,436
Interest transferred to annuity savings	-	-	-	403,647	-	403,647
Actuarial transfer	-	-	-	-	9,567,004	9,567,004
Total expenses and transfers	5,765,909	2,031,595	50,789	682,743	9,567,004	18,098,040
NET INCREASE (DECREASE)	983,210	1,185,792	1,486,647	23,825,491	(9,567,004)	17,914,136
BALANCES - JUNE 30, 2006	\$ 40,402,576	\$ 27,661,900	\$ 5,226,430	\$ 118,186,767	\$ (979,223)	\$ 190,498,450

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
STATEMENT OF CHANGES IN RESERVE BALANCES
FOR THE YEAR ENDED JUNE 30, 2005

	<u>Pension Reserve</u>	<u>Annuity Savings</u>	<u>DROP</u>	<u>Pension Accumulation</u>	<u>Excess Actuarial Liability</u>	<u>Total</u>
BALANCES, JULY 1, 2004	\$ 35,864,196	\$ 25,852,068	\$ 2,827,815	\$ 85,616,725	\$ 10,715,102	\$ 160,875,906
REVENUES AND TRANSFERS:						
Contributions:						
Member	-	2,662,388	-	-	-	2,662,388
Employer	-	-	-	1,285,573	-	1,285,573
Ad valorem taxes and state revenue sharing funds	-	-	-	4,161,557	-	4,161,557
Transfers from annuity savings	1,833,095	-	-	-	-	1,833,095
Transfers from other systems	-	14,864	-	189,798	-	204,662
Pensions transferred from pension reserve	-	-	998,108	-	-	998,108
Interest on accumulated savings	-	381,192	-	-	-	381,192
Net gain from investments and other sources	-	-	-	8,076,446	-	8,076,446
Actuarial transfers	6,619,913	-	-	-	-	6,619,913
Total revenues and transfers	<u>8,453,008</u>	<u>3,058,444</u>	<u>998,108</u>	<u>13,713,374</u>	<u>-</u>	<u>26,222,934</u>
EXPENSES AND TRANSFERS:						
Retirement allowances paid	3,899,730	-	86,140	-	-	3,985,870
Refunds to members	-	554,035	-	-	-	554,035
Transfers to pension reserve	-	1,833,095	-	-	-	1,833,095
Transfers to other systems	-	47,274	-	95,039	-	142,313
Pensions transferred to DROP	998,108	-	-	-	-	998,108
Interest transferred to annuity savings	-	-	-	381,192	-	381,192
Actuarial transfer	-	-	-	4,492,592	2,127,321	6,619,913
Total expenses and transfers	<u>4,897,838</u>	<u>2,434,404</u>	<u>86,140</u>	<u>4,968,823</u>	<u>2,127,321</u>	<u>14,514,526</u>
NET INCREASE (DECREASE)	<u>3,555,170</u>	<u>624,040</u>	<u>911,968</u>	<u>8,744,551</u>	<u>(2,127,321)</u>	<u>11,708,408</u>
BALANCES - JUNE 30, 2005	\$ <u>39,419,366</u>	\$ <u>26,476,108</u>	\$ <u>3,739,783</u>	\$ <u>94,361,276</u>	\$ <u>8,587,781</u>	\$ <u>172,584,314</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF INVESTMENTS
JUNE 30, 2006 AND 2005

	2006		
	<u>PAR VALUE</u>	<u>MARKET VALUE</u>	<u>ORIGINAL COST</u>
Bonds:			
U. S. Government and Agency Issues	\$ 59,613,204	\$ 28,405,771	\$ 28,499,152
Corporate bonds	2,861,996	1,127,175	900,774
Other bonds	<u>6,445,000</u>	<u>6,011,680</u>	<u>5,582,007</u>
	<u>\$ 68,920,200</u>	<u>\$ 35,544,626</u>	<u>\$ 34,981,933</u>
Cash equivalents		<u>\$ 12,980,072</u>	<u>\$ 12,980,072</u>
Mutual funds		<u>\$ 139,474,351</u>	<u>\$ 134,732,261</u>

	2005		
	<u>PAR VALUE</u>	<u>MARKET VALUE</u>	<u>ORIGINAL COST</u>
Bonds:			
U. S. Government and Agency Issues	\$ 57,939,513	\$ 28,915,118	\$ 28,047,911
Corporate bonds	12,507,135	11,339,504	11,100,265
Other bonds	<u>13,021,000</u>	<u>12,799,357</u>	<u>12,157,028</u>
	<u>\$ 83,467,648</u>	<u>\$ 53,053,979</u>	<u>\$ 51,305,204</u>
Stock		<u>\$ 96,055,688</u>	<u>\$ 83,781,108</u>
Cash equivalents		<u>\$ 10,778,118</u>	<u>\$ 10,778,118</u>
Mutual funds		<u>\$ 10,662,587</u>	<u>\$ 10,199,487</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Auditing and legal	\$ 12,000	\$ 11,000
Computer services	2,400	2,768
Dues	400	400
Expense of board meetings	3,265	3,875
Miscellaneous	9,796	11,144
Office supplies and printing	2,803	4,891
Postage	1,279	1,549
Rent	24,000	24,000
Retainer fees	21,000	21,000
Salaries and fringe benefits	127,098	125,128
Surety bond	-	17,488
Telephone	886	836
Travel - convention and conference	<u>6,753</u>	<u>3,966</u>
TOTAL	\$ <u>211,680</u>	\$ <u>228,045</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULES OF PER DIEM AND TRAVEL EXPENSES TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

2006					
<u>Trustee</u>	<u>Number of Meetings Attended</u>	<u>Number of Meetings Paid</u>	<u>AMOUNTS PAID</u>		
			<u>Meetings</u>	<u>Travel</u>	<u>Total</u>
Edwin Ware	4	4	\$ 300	\$ 1,164	\$ 1,464
Paul Carmouche	4	4	300	944	1,244
Houston Gascon	4	4	300	366	666
John Sinquefield	4	4	300	422	722
Darryl Bubrig	4	4	300	635	935
Anthony Falterman	3	3	225	-	225
D. A. Gautreaux	-	-	-	-	-
Pete Schneider	-	-	-	-	-
			<u>\$ 1,725</u>	<u>\$ 3,531</u>	<u>\$ 5,256</u>

2005					
<u>Trustee</u>	<u>Number of Meetings Attended</u>	<u>Number of Meetings Paid</u>	<u>AMOUNTS PAID</u>		
			<u>Meetings</u>	<u>Travel</u>	<u>Total</u>
Edwin Ware	7	5	\$ 375	\$ 355	\$ 730
Paul Carmouche	5	5	375	140	515
Houston Gascon	7	6	450	-	450
John Sinquefield	7	6	450	-	450
Darryl Bubrig	7	6	450	-	450
Anthony Falterman	6	5	375	-	375
D. A. Gautreaux	1	-	-	-	-
Pete Schneider	-	-	-	-	-
			<u>\$ 2,475</u>	<u>\$ 495</u>	<u>\$ 2,970</u>

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
 STATE OF LOUISIANA
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 2001 THROUGH 2006

<u>Fiscal Year</u>	<u>Actuarial Required Contributions Employer</u>	<u>Actuarial Required Contributions Other Sources</u>	<u>Percent Contributed Employer</u>	<u>Percent Contributed Other Sources</u>
2001	\$ -	\$ 1,456,313	- %	100.64 %
2002	-	1,589,898	-	100.31
2003	-	3,084,295	-	100.30
2004	1,224,961	3,866,663	-	99.81
2005	2,196,260	4,097,128	58.35	94.19
2006	1,464,228	4,159,538	168.01	104.78

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS –
EMPLOYER AND OTHER SOURCES
JUNE 30, 2001 THROUGH 2006

The information presented in the Schedule of Contributions - Employer and Other was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2006
Actuarial Cost Method	The Aggregate Actuarial Cost Method with allocation based on earnings. (This method does not identify and separately amortize unfunded actuarial liabilities.)
Asset Valuation Method:	Market value adjusted to reflect a four-year smoothing of all investment returns above or below the current valuation interest rate.
Actuarial Assumptions:	
Investment Rate of Return	8% (Net of Investment Expense)
Projected Salary Increases	6.75% (3.25% Inflation, 3.5 Merit)
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. Future cost of living increases are only granted if specific target ratios are met and excess interest earnings are available to fund the cost of the benefit increase. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.
Actuarial Required Contributions-Employer	State statute requires that employer rates be set one year in advance, based on current actuarial assumptions. To the extent that prospective experience differs from that assumed, adjustments are made to subsequent contribution levels to account for previous contribution excesses or shortages. Accordingly, actual contributions for a certain fiscal period may not correlate to required amounts, but the difference is adjusted in the subsequent period.

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
NOTES TO SCHEDULE OF CONTRIBUTIONS –
EMPLOYER AND OTHER SOURCES
JUNE 30, 2001 THROUGH 2006

Change in Actuarial Assumptions

Changes were made in the mortality table used for disabled lives and certain statistics related to children of members including the percent of members with minor children, the average age of those children and the average number of children in the household. The actuarial asset valuation method was changed from 3-year smoothing of realized and unrealized capital gains to 4-year smoothing of all earnings above or below the valuation interest rate.

Change in Normal Costs

The System incurred a decrease in normal cost by \$908,292 for the year ending June 30, 2006 due to a change in the Actuarial Value of Assets. The effect of the change in normal cost for years ending subsequent to June 30, 2006 has not been determined.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

October 26, 2006

Board of Trustees
District Attorneys' Retirement System
State of Louisiana
1645 Nicholson Drive
Baton Rouge, Louisiana 70802-8143

We have audited the financial statements of the District Attorneys' Retirement System of the State of Louisiana for the year ended June 30, 2006 and have issued our report thereon dated October 26, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the System's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Trustees, management, and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

DISTRICT ATTORNEYS' RETIREMENT SYSTEM
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of District Attorneys' Retirement System State of Louisiana for the year ended June 30, 2006 was unqualified.
2. Internal Control
Material weaknesses: none noted
Reportable conditions: none noted
3. Compliance and Other Matters
Noncompliance material to financial statements: none noted

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None